FOOD INDUSTRY ALLIANCE OF NEW YORK STATE, INC.

Sund copy To us info. M. youry 130 Washington Avenue • Albany, New York 12210 • Tel (518) 434-1900 • Fax (518) 434-9962 Government Relations (\$18) 434-8144

May 1, 1998

The Honorable Daniel P. Moynihan United States Senate Washington, D.C. 20510

Dear Senator Moynihan,

As President of the Food Industry Alliance (FIA) of New York State, I am writing on behalf of the Alliance's chain and independent grocers in opposition to provisions contained in Senator McCain's tobacco bill, S.1415.

Along with most other Americans, the grocery industry supports efforts that substantially reduce smoking by underage youth. However, it appears that a result of S.1415 would be the creation of regressive tax policy, the imposition of unnecessary advertising restrictions, and the expansion of government bureaucracy. While I believe the intentions of those seeking to address the underage smoking issue is laudatory, the reality of S.1415 is excessive government at its worst. If Congress desires to curb or eliminate underage smoking, then all parties should work to that end.

Why go to such extremes to address the 2% of smokers who are minors? Why raise the price on a pack of cigarettes by \$1.50 -\$2.00 and disportionately impact lower-income adult smokers? Why expand government by creating 17 new federal agencies/ offices? Why risk creating a "black market" on an overly-taxed product which definitely will lead to unregulated sales? The questions could go on and on. Somewhere some logic and reason must enter into the discussion for all affected parties.

As retailers, we simply would desire the opportunity to sell tobacco products to adults without the obstacles that would interrupt or prove unnecessarily costly to our business operations. In an effort to address the real issue of smoking by minors, it appears that there is a movement to improve broad-based restrictions and mandates which reach well beyond the underage issue. Shouldn't the debate become more focused on youth smoking and not, for example, color advertising versus black and white advertising. Additionally, if the goal is to eliminate tobacco sales to minors, should there not be some legal responsibility imposed upon the underage smoker who intentionally attempts to purchase cigarettes?

Specifically, FTA finds the McCain bill objectionable in the following areas:

- \* The FDA could prohibit tobacco sales by specific categories of retail outlets;
- \* Traditional retailers could be placed at a competitive disadvantage if "tobacco-only shops" and "adult-only stores" are exempted from advertising and display restrictions;
- \* The immediate increase in excise taxes would further aggravate the problems retailers are experiencing with respect to tobacco sold on Indian reservations.

Let's not walk around the issue of underage smoking. Let's address it. I think you will find retailers as partners in the battle against smoking by minors if a pragmatic solution is sought.

Thank you for your consideration.

Sincerely,

James T. Rogers President & CEO

JTR/as